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March 10, 2020

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk / Executive Director  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

Re: Application of Duke Energy Carolinas, LLC Annual Review of Base Rates for  
Fuel Costs – Docket No. 2020-3-E

Dear Ms. Boyd:

Today, the Clerk's office issued notice of the 2020 Duke Energy Carolinas, LLC (the "Company") fuel case in the above-referenced docket ("Notice"). The Notice includes dicta from a directive issued in the Company's 2019 fuel case, Docket No. 2019-3-E, related to gas pipeline capacity.

S.C. Code Ann. § 58-3-250(A) provides certain minimum requirements for final orders from the Commission, which do not apply to directives. Further, S.C. Code Ann. § 58-27-2310 provides that "[a] party in interest dissatisfied with an order of the commission may appeal to the Supreme Court or court of appeals as provided by statute and the South Carolina Appellate Court Rules." Finally, S.C. Code Ann. § 1-23-600(D), the S.C. Administrative Procedures Act, provides that "a **final order** of the Public Service Commission . . . is to the Supreme Court or the court of appeals as provided in the South Carolina Appellate Court Rules . . . ." (emphasis added).

Respectfully, it is the Company's opinion that directives are not equivalent with final orders or directive-orders, and that dicta from directives should not be included within a customer notice. The Company does not believe the language regarding the gas pipeline capacity issue is necessary in the Notice, and requests that it be deleted. Otherwise, to the extent, if at all, the Notice should include language related to the gas pipeline capacity issue, the Company requests that the Notice issued to customers in this case be modified to instead include the mandates contained within the Commission's final order, Order No. 2019-691 at Ordering ¶ 19, as the Company has been complying with the final order as written. The Company respectfully requests that the Commission either delete the reference to the gas pipeline



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capacity issue or otherwise re-issue the notice with the language from Order No. 2019-691 as included in the attached.

Kind regards,

Sam Wellborn

SJW:tch

Enclosure

cc w/enc: Parties of Record (via email)  
Heather Shirley Smith, Deputy General Counsel (via email)  
Rebecca J. Dulin, Associate General Counsel (via email)  
Katie M. Brown, Counsel (via email)

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## PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

## CLERK'S OFFICE

**NOTICE OF HEARING AND PREFILE TESTIMONY DEADLINES**

DOCKET NO. 2020-3-E

**Annual Review of Base Rates for Fuel Costs of Duke Energy Carolinas, LLC (For Potential Increase or Decrease in Fuel Adjustment or Gas Adjustment)**

S.C. Code Ann. § 58-27-865 (Supp. 2019) established a procedure for annual hearings to allow the Commission and all interested parties to review the fuel purchasing practices and policies of Duke Energy Carolinas, LLC and for the Commission to determine if any adjustment in the fuel cost recovery mechanism is necessary and reasonable. Section 58-27-865(B) states, in part, "Upon conducting public hearings in accordance with the law, the Commission shall direct each company to place in effect in its base rate an amount designed to recover, during the succeeding twelve months, the fuel costs determined by the Commission to be appropriate for that period, adjusted for the over-recovery or under-recovery from the preceding twelve-month period." Coincident with this proceeding and pursuant to S.C. Code Ann. § 58-39-140, the Commission will also determine whether an increase or decrease should be granted in the fuel cost component designed to recover the incremental or avoided costs incurred by the Company to implement the distributed energy resource program previously approved by the Commission.

On September 30, 2019, the Public Service Commission of South Carolina (the Commission) issued Order No. 2019-691, which included the following requirements: "DEC shall record its natural gas utilization on an hourly and daily basis on a prospective basis as suggested by Mr. Lander. The Company is to present evidence in its next fuel case regarding whether or not it can monetize the unused gas capacity on days when the system is not constrained. This information shall be compiled in a reasonably understandable format and be readily available for production at the next DEC fuel case."

**If the Application or Petition in this case contains a request for adjustment of rates, the rates are subject to potential modification by the Commission during the course of this case.**

**PLEASE TAKE NOTICE** that a hearing, pursuant to S.C. Code Ann. Regs. 103-817 and S. C. Code Ann. § 58-27-865(B), on the above matter has been scheduled to begin on **Thursday, September 10, 2020, at 10:00 a.m.**, before the Commission in the Commission's Hearing Room at 101 Executive Center Drive, Suite 100, Saluda Building, Columbia, South Carolina 29210.

Any person who wishes to participate in this matter as a party of record, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **June 15, 2020**, by filing the Petition to Intervene with the Commission, by providing a copy to the Office of Regulatory Staff and by providing a copy to all parties of record. For the receipt of future Commission correspondence, please include an email address in the Petition to Intervene. ***Please refer to Docket No. 2020-3-E and mail a copy to all other parties in this docket.*** Any person who seeks to intervene and who wishes to testify and present evidence at the hearing should notify, in writing, the Commission; the Office of Regulatory Staff at 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and Heather S. Smith, Esquire, Duke Energy Carolinas, LLC, 40 W. Broad Street, Suite 690, Greenville, South Carolina 29601, on or before **June 15, 2020**. ***Please refer to Docket No. 2020-3-E.***

For the most recent information regarding this docket, including changes in scheduled dates included in this Notice, please refer to [www.psc.sc.gov](http://www.psc.sc.gov) and ***Docket No. 2020-3-E.***

**INSTRUCTIONS TO ALL PARTIES OF RECORD (Applicants, Petitioners, and Intervenors only):**

**\*\* On or before 8/27/2020**, please provide the order of witnesses to be presented during the hearing, whether there is an objection to taking direct and rebuttal or surrebuttal testimony together during the hearing, and whether or not there is a desire to use panels of witnesses. **\*\***

All Parties of Record must prefile testimony with the Commission and with all Parties of Record. Prefiled Testimony Deadlines: Applicant's **Direct Testimony** Due: **7/30/2020**; Other Parties of Record **Direct Testimony** Due: **8/20/2020**; Applicant's **Rebuttal Testimony** Due: **8/27/2020**; and Other Parties of Record **Surrebuttal Testimony** Due: **9/3/2020**. All prefiled testimony deadlines are subject to the information as posted on [www.psc.sc.gov](http://www.psc.sc.gov) under ***Docket No. 2020-3-E.***

Please be advised that failure to comply with the instructions contained herein could result in your proposed witnesses' testimony and exhibits being excluded in the subject proceeding. Additionally, please note that failure to comply with the above on or before the dates indicated may result in the DISMISSAL of your pleading.

Persons seeking information about the Commission's procedures should contact the Commission at (803) 896-5100 or visit its website at [www.psc.sc.gov](http://www.psc.sc.gov).

3/10/20